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VOLUME 11

FEBRUARY 1940

NO. 2

AGRICULTURE HAS BEEN IN TROUBLE SINCE THE FIRST WORLD WAR

1. There was the wartime expansion of cultivated crops when farmers patriotically plowed up 40 million extra acres of land to help win the war.
2. There was the abrupt change of the United States after the war from a debtor to a creditor nation, making it more difficult for foreign nations to buy our surplus crops.
3. There was the displacement of the horse by the automobile, truck, and tractor, and the releasing of 35 million acres that had formerly been used for the production of food.
4. There was the movement of European nations to produce all their own food so as not to be starved out in another war.
5. There was the new farm competition in other exporting countries such as Argentina and Australia.
6. There was the increase in industrial tariffs in the United States, which caused other countries to retaliate by shutting out our farm products.
7. There was the growth of monopoly and price-fixing by corporations, so that farmers, when they went to the store to buy, had to pay what was asked, but when they sold their produce, they had to take what was offered.

As far back as 1921, farmers suffered from these seven handicaps. Then, as their own depression spread to the cities, they suffered from still another handicap. That was the lack of buying power in the cities.

-- Henry A. Wallace, Secretary of Agriculture.

LARGE POTATO CROPS MEAN LESS MONEY

It is estimated that an annual production of between 360 and 370 million bushels of potatoes is the amount that can be sold at fair prices. During the past 14 years, we have had seven years when potato production was below 370 million bushels and seven years when production exceeded 370 million bushels.

Year:	Total U.S. : acreage : harvested : :	Total U.S. : production : :	Value based : on U.S. : farm price : :	U. S. farm : price (Season : average) : :	Cash prices : Presque Isle, Me. : Av.Sept-Mar. : :
	(1000 acres):	(1000 bu.):	(1000 dollars):	(Dol. per bu.):	Dollars per bu.

7 YEARS WHEN PRODUCTION WAS ABOVE 370,000,000 BUSHEL

1928	3,449	427,249	\$244,048	.571	.32
1931	3,467	384,125	177,912	.463	.19
1932	3,549	376,425	147,496	.392	.22
1934	3,597	406,105	181,857	.448	.14
1935	3,541	386,380	230,574	.597	.56
1937	3,174	394,139	208,344	.529	.32
1938	3,023	374,163	208,783	.558	.50
Av. 7 years	3,400	392,655	\$199,852	.508	.32

YEARS WHEN PRODUCTION WAS BELOW 370,000,000 BUSHEL

1926	2,811	321,607	\$437,851	1.361	1.15
1927	3,182	369,644	400,996	1.085	.86
1929	3,019	332,204	438,006	1.318	1.19
1930	3,103	340,572	313,072	.919	.68
1933	3,412	342,306	281,178	.821	.72
1936	3,063	331,918	374,893	1.129	.95
1939	3,032	360,992	248,362	.688	.70
Av. 7 years	3,089	342,749	\$356,337	1.046	.89

In the seven years that production exceeded 370 million bushels the total farm value of the U. S. potato crop averaged less than 200 million dollars.

In the seven years that production was below 370 million bushels, total farm value averaged over 356 million dollars.

The large crops averaged to bring growers 150 million dollars a year less than the small ones. If allowance were made for the fact that the small crops were sold in years of somewhat higher price levels it is reasonable to estimate that about 139 of this 150 million dollar loss was due to the smaller crops and 11 million to the price level.

LARGE POTATO CROPS MEAN LOWER FARM PRICE

In the seven years of high production the U. S. farm price averaged less than one-half of the price received in the years of lower production. The cash-to-grower price in Maine was only about one-third as high.

In the seven years of high production, the bulk cash-to-grower price at Presque Isle, Maine, was 37 percent below the United States average farm price; and in the seven years of lower production the Maine cash-to-grower price was only 14 percent below the U. S. average farm price

PRODUCTION IN LINE WITH ACREAGE THREE YEARS OUT OF FOUR

Of these fourteen years, there was one in which very low yields per acre resulted in a good price in spite of large acreage. In two other years extremely high yields per acre undid the effect of reasonably well balanced acreage and resulted in low prices. In eleven of the fourteen years, or a little better than three years out of four, production was fairly close in line with the acreage.

WILL POTATO GROWERS OVERPLANT IN 1940?

The Agricultural Outlook, published in November, 1939, stated that growers can be expected to plant 100,000 acres more potatoes in 1940 than they did in 1939, if they respond to prices received as they have in the past. This estimate is based on an expected 10 percent increase in the early and intermediate States and a 3 percent increase in the late States.

SOUTHERN GROWERS ARE STABILIZING ACREAGE

Growers of early potatoes intend to plant in 1940 only one-half of one percent more than they did in 1939. This figure, instead of the 10 percent increase expected, represents a real accomplishment for Southern committeemen.

Committeemen in intermediate potato States are making a determined effort to prevent overplanting.

NORTHEAST HAS THE MOST TO LOSE BY OVERPLANTING

The 1939 potato crop had abnormal distribution, with above-average production in the West and below-average production in the Northeast. This abnormal distribution caused 1939 prices to be lower than the average in the West and higher than the average in the Northeast. For the first time since 1925 the bulk cash price to growers at Presque Isle, Maine, was higher than the U. S. average farm price.

Comparing 1940 with 1939, an increase in production combined with normal geographic distribution is likely to show a greater percentage decline in price in the Northeast than in any other section of the country.

RHODE ISLAND SETS NEW RECORDS IN 1939

"We made a double gain, as far as participation is concerned, in Rhode Island. The sign-up was practically double that of 1938, and most of those signing up actually completed practices. The furnishing of grant-of-aid materials was largely responsible for this.

"The use of liming materials set a new record for the State, with nearly one-half the total annual estimated requirement used. The use of superphosphate and potash for soil-building practices increased, but not at such a high rate.

"We set a new high in the adoption of pasture-improvement practices and the seeded acreage of legume crops.

"Dairy farmers participated to the greatest extent, with a high percentage of fruit growers entering the program. Potato growers cooperated in acreage stabilization more than ever before; and vegetable growers participated to a much higher degree than anticipated. Poultrymen are beginning to see opportunities for range improvement, and more of them participated in 1939 than ever before."

--*Ralph S. Shaw, State Executive Officer.*

MASSACHUSETTS MAKES GAINS IN 1939 ACP

"More farmers have participated in the AAA Program in Massachusetts than ever before due to two factors: First, the fire hazard reduction program on hurricane-damaged woodlands; second, distribution of superphosphate and lime by the county associations.

"The enrollment in 1938 was 9,823, and in 1939 it was 13,839. In the Connecticut Valley, the outstanding feature of the program was the increase in cover crops. In one county the average acreage of cover crops per farm is now nine acres, where three years ago it was only one. In other parts of the State, the increase in superphosphate has been tremendous. Our Experiment Station reported that superphosphate used on farms from all sources, including ACP, was 46 percent above that of 1937 which, up to that time, was the peak year."

--*Sumner R. Parker, State Executive Officer.*

"The AAA Farm Program has given farmers the chance to prove themselves capable of developing and administering their own farm program. This development has come along so quietly that it has been overlooked by most people, including people who are in close touch with the provisions of the program. I cannot emphasize too strongly that the local committeemen, elected by their neighbor farmers, are the really important executives of the AAA Farm Program."

--*R. M. Evans, Administrator, AAA.*